



# Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/8/2022
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10949 - A Resolution Approving a Five-Year Extension to the Agreement Between the City of Folsom and the Folsom Tourism Bureau Relative to the Folsom Tourism Business Improvement District
<b>FROM:</b>	City Manager's Office

**RECOMMENDATION / CITY COUNCIL ACTION**

Staff recommends the City Council move to adopt Resolution No.10949 - A Resolution Approving a Five-Year Extension to the Agreement between the City of Folsom and the Folsom Tourism Bureau Relative to the Folsom Tourism Business Improvement District.

**BACKGROUND / ISSUE**

The City Council adopted Resolution No. 9055 on August 23, 2012, designating the Folsom Tourism Bureau (FTB) to act as the Owners’ Association for the Folsom Tourism Business Improvement District (FTBID).

The City Council subsequently approved Resolution No. 9072 on October 23, 2012, authorizing the City Manager to execute an agreement with the FTB to serve as the Owners’ Association to the FTBID for a five-year term from January 1, 2013 to December 31, 2017. On December 12, 2017, the City Council adopted Resolution No. 10051 approving a five-year extension to the agreement between the City of Folsom and the Folsom Tourism Bureau relative to the Folsom Tourism Business Improvement District.

This Agreement between the City and FTB provides the City an option to extend the Agreement for another five years after review of the FTB’s annual report and approval by the City Council. The FTB has requested that the Agreement be extended for an additional five-year term (please see Attachment 2).

**POLICY / RULE**

Section 3.100.080 of the Folsom Municipal Code states that a nonprofit corporation shall be designated by the City Council to serve as the owners' association for tourism business improvement districts in the resolution of intention and resolution of formation, and that the City will enter into a contract with the designated nonprofit.

**ANALYSIS**

The FTB provides substantial public benefit to the City in serving as the Owners' Association for the FTBID by administering District services and providing marketing and visitor programs to promote Folsom lodging businesses.

It is staff's assessment that the FTB has complied with all terms of the Agreement, including providing an annual report describing activities completed in the previous fiscal year and planned for the coming fiscal year (Attachment 3 and also agendized as a Scheduled Presentation by the FTB at the City Council's November 8, 2022 meeting).

City staff and the FTB seek the City Council's approval to extend the Agreement for an additional five-year term from January 1, 2023 to December 31, 2027.

**FINANCIAL IMPACT**

The FTBID assessment, which is a levy imposed on businesses for the purpose of providing services, activities, and programs that promote tourism in the City of Folsom, has no impact on the City's General Fund.

**ATTACHMENTS**

1. Resolution No. 10949 – A Resolution Approving a Five-Year Extension to the Agreement between the City of Folsom and the Folsom Tourism Bureau Relative to the Folsom Tourism Business Improvement District
2. Letter from Folsom Tourism Bureau
3. Folsom Tourism Bureau Annual Report FY 2021-22

Submitted,

Christine Brainerd, Communications Director

**Attachment 1.**

**Resolution No. 10949 – A Resolution Approving a  
Five-Year Extension to the Agreement between the City  
of Folsom and the Folsom Tourism Bureau Relative to the  
Folsom Tourism Business Improvement District**

**RESOLUTION NO. 10949**

**A RESOLUTION APPROVING A FIVE-YEAR EXTENSION TO THE AGREEMENT BETWEEN THE CITY OF FOLSOM AND THE FOLSOM TOURISM BUREAU RELATIVE TO THE FOLSOM TOURISM BUSINESS IMPROVEMENT DISTRICT**

**WHEREAS**, the City Council adopted Resolution No. 9055 on August 23, 2012, designating the Folsom Tourism Bureau (“FTB”) to act as the Owners’ Association for the Folsom Tourism Business Improvement District (“FTBID”) pursuant to an agreement approved by the City Council; and

**WHEREAS**, the City Council approved Resolution No. 9072 on October 23, 2012 authorizing the City Manager to execute an agreement with the FTB to serve as the Owners’ Association to the FTBID for a five (5) year term from January 1, 2013 to December 31, 2017; and

**WHEREAS**, on December 12, 2017, the City Council adopted Resolution No. 10081 approving a five-year extension to the agreement between the City of Folsom and the Folsom Tourism Bureau relative to the Folsom Tourism Business Improvement District.

**WHEREAS**, Section 4(C) of the Agreement between the City of Folsom and the FTB provides the City an option to extend the Agreement for another five (5) years after review of the annual report from FTB and approval by the City Council; and

**WHEREAS**, the FTB has requested that the Agreement be extended for an additional five (5) year term; and

**WHEREAS**, the FTB provides substantial public benefit to the City in serving as the Owners’ Association for the FTBID by administering District services and providing marketing and visitor programs to promote Folsom lodging businesses; and

**WHEREAS**, the City desires to extend the Agreement for an additional five (5) year term from January 1, 2023 to December 31, 2027.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Folsom that the Agreement between the City of Folsom and the FTB relative to the FTBID, dated November 27, 2012, be hereby extended for another five (5) year term from January 1, 2023, to December 31, 2027.

**PASSED AND ADOPTED** this 8<sup>th</sup> day of November 2022, by the following roll-call vote:

**AYES:** Councilmember(s):

**NOES:** Councilmember(s):

**ABSENT:** Councilmember(s):

**ABSTAIN:** Councilmember(s):

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Kerri M. Howell, MAYOR

ATTEST:

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Christa Freemantle, CITY CLERK

Attachment 2.  
Letter from Folsom Tourism Bureau

November 2, 2022

Elaine Andersen  
City Manager  
City of Folsom  
50 Natoma Street  
Folsom, CA 95630

Elaine,

On behalf of the Folsom Tourism & Economic Development Corporation (TEDCorp), dBA the Folsom Tourism Bureau, I would like to request a five-year renewal through December 2027 of the agreement between the City of Folsom and the Folsom Tourism Bureau to serve as the owners association to the Folsom Tourism Bureau Business Improvement District (FTBID)

We have enjoyed great success with our efforts and look forward to continuing to implement our tourism strategies to improve City revenue. The use of the FTBID funds has helped our hospitality partners and visitor-related businesses, while providing economic development opportunities that benefit our community.

Thank you,



Joseph P. Gagliardi  
President & CEO

**Attachment 3.**  
**Folsom Tourism Bureau Annual Report FY 2021-22**





TO: Elaine Andersen  
City Manager  
City of Folsom

FROM: Joseph P. Gagliardi  
President/CEO  
Folsom Tourism Bureau

RE: Folsom Tourism Bureau Improvement District  
Fiscal Year: 7-1-2021 through 6-30-2022

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In accordance with the Agreement between the City of Folsom and the Folsom Tourism Bureau dated November 27, 2012, the following Annual Report describes the activities undertaken during the fiscal year July 1, 2021, through June 30, 2022.

**Organizational Background:** The Folsom Tourism Bureau was formed in the year 2000 to focus on the growing local market for tourism development. In 2002 the Tourism Bureau pursued forming a business improvement district (BID) to strategically grow tourism in Folsom while providing a sustainable funding source to market Folsom as a destination. The Tourism Bureau immediately engaged all its hotel partners to seek their input and developed a strategy to accomplish that objective. The Tourism BID (TBID) was formed in 2003 at a rate of 2 percent for an initial 5-year timeframe and then renewed for an additional 5 years. In 2012, the Tourism BID was renewed at 4% for an additional 20-year term.

In 2016, the Greater Folsom Partnership, now known as Choose Folsom, was formed to leverage the efforts of the Folsom Tourism Bureau in conjunction with the Folsom Chamber of Commerce and Folsom Economic Development brands. This structure facilitates an integrated marketing and communication strategy for Folsom and promotes a strong connection between the business and hospitality communities.

The ultimate goal of the Folsom Tourism Bureau programs and services is to promote positive economic benefit for the City of Folsom through increasing occupancy and ADR (Average Daily Rate) in Folsom hotels. Increased activity increases TOT (Transit Occupancy Tax) and sales tax revenue as well as a residual economic benefit for related market segments in dining, retail, outdoor recreation and entertainment.

In addition, it has become increasingly apparent that destination promotion is a crucial tool that is used to assist in broader economic development issues — not just marketing to the end traveler. Promoting Folsom raises our community profile, opens the door for enhanced opportunities for traditional business relocation, expansion, and new startups to occur. Our destination promotion will also contribute substantially to highlighting the quality-of-life issues critical to the relocation decision as well as our residents' attitude about where they live.



**Description of the Activities conducted during the previous fiscal year: (7/1/2021 to 6/30/22)**

- Groups & Events Supported with Concierge Service: Visit Folsom actively supports community events that bring out-of-town guests. This support included a combination of marketing staff support and financial support in event underwriting and trades. We supported several events last year; a few are listed below. Events that are well run and compatible with the assets and venues in Folsom are essential to our brand development and increase tax revenue in the region.
  - July 2021 Paddle Splash Festival
  - August 2021 - Wildfire Support (supported Back Bistro dinner, gift baskets, gift cards, ice cream social at each hotel property)
  - September 2021 - Hangtown Motocross (usually in May)
  - October 2021 - Folsom Blues Breakout Half Marathon
  - November 2021 - Rio del Lago 100-Mile Run
  - November 2021 - Folsom Women's Conference
  - November 2021 - Foothill Wine Festival
  - December 2021 - California International Marathon
  - May 2022 - California Community College Baseball Championship

**Changes In Personal December & Navigating the New Normal**

- The first part of the 2021-2022 fiscal year was spent navigating back to a new normal after the pandemic. Events were slow to resume, and corporate travel has been even slower to return. Tourism in Folsom is an integral part of the economy. While the economic benefit started to rebound, it was clear the changing marketplace with various forces at play had presented our destination with new realities. At the end of December 2021, Mary Ann McAlea retired from the Folsom Tourism Bureau after eighteen years of service, and Sally Buchanan was hired in late March 2022. Sally spent the first couple of months on a listening tour with Folsom's eight hotel partners and worked with Choose Folsom to understand the market and needs of our stakeholders.

After gathering data and feedback, Visit Folsom determined the need for a review of existing programs and a new strategy to guide marketing and organizational efforts going forward. In July of 2022, the TEDCorp Board approved a strategic planning project. This project started in August 2022 and is designed to develop an organizational strategy that finds a balance between tourism, residents, and the experience for both, as well as to elevate the role of tourism in Folsom. This process also includes an analysis of tourism amenities and technology, and investment in these areas is expected to require an increase in funding. Visit Folsom held four stakeholder focus groups in August and September and is currently working on a visitor survey. The process will be wrapped up with a strategic plan report due in early December.



### **New Initiatives Started in 2022-2023**

- **Strategic Visioning:** Planning for Visit Folsom marketing and organizational efforts is under way and will be finished in early December of 2022.
- **New website and content:** The website is undergoing a major overhaul including a new back-end system, new content, navigation and technology that will allow a better user experience.
- **Online Booking Engine:** RootRez technology will allow Visit Folsom to seamlessly integrate a branded booking engine into our website and highlight destination-specific attributes through custom promotions, packages, maps, content, filters, and more.
- **Data:** The Zartico Destination Operating System® takes intelligence, analytics, and data visualizations and combines it with context and strategic input to support a Destination Management Organization's data-driven decisions in real time. Zartico's Destination Operating System® has the capability to track tourism effects on locally owned businesses to foster community and improve resident satisfaction.
- **50 Economic Alliance:** Choose Folsom has partnered with our partners along the eastern Highway 50 corridor, Rancho Cordova, El Dorado County, El Dorado Hills, and Placerville. We work together to showcase everything our region offers for existing and new businesses, their employees, and their customers. This alliance naturally extends to Tourism, and we will continue to foster alignment in these areas using data points received from Zartico.
- **Bandwango:** The Foothill Wine Passport features 37 wineries in one pass and the opportunity to taste all the amazing wine the region has to offer. The Foothill Wine Tasting Pass is the gateway to the Sierra Foothill wineries. The pass is a digital ticket to custom tours and discounted tastings throughout the foothills. Each pass is delivered instantly via text message or email. There is no need to download an app because the pass is accessible on the user's phone at any time. In just seconds, the purchaser will have their pass in hand and ready to taste wine!
- **Visitor Center Experience:** This generation of travelers do not see the value in traditional visitor centers as did previous generations. The traditional model of maps, brochures, and friendly staff does not drive traffic. Given this, we have decided to create an experiential space for our visitors and customers to enjoy. The space is presently being referred to as the Visit Folsom General Store & Foothill Makers Market. Guests will not only be able to find out about Folsom, but they will also be able to grab a to-go snack, purchase high-quality Folsom souvenirs and support local makers by buying homemade wares from Folsom or the surrounding foothill region.



- HootBoard Kiosk: The new Visitor Center & General Store will include an interactive digital kiosk meant to engage visitors and help visitors and residents find attractions, information, and more. The kiosks may eventually be placed in all Folsom hotels if the first proves successful.
- Economic Development Team: Choose Folsom brought on Laura Fickle to help support Economic Development and Tourism.

### **Continued Initiatives**

- Expanded Network of Event Promoters: Visit Folsom has devoted additional staff resources to extending the outreach for new events that complement our existing resources and hotel mix.

For events that meet our criteria of “fit” and potential for generating room nights, we enter a short-term underwriting sponsorship agreement to assist in the launch process for a new event. Building strong relationships with event promoters requires a willingness to support them as they work through the permitting and planning process with local partners.

- Leverage the Marketing Efforts of Choose Folsom: Folsom’s primary message in both economic development and tourism is the outstanding quality of life in Folsom and easy access to the best outdoor recreation in the region. This allows us to commit staff resources and dollars to add to our digital asset portfolio, public relations, and overall marketing for content that can be shared across both platforms. This gives us a tremendous advantage that would not be available if these organizations were siloed and limited by their respective areas of focus.
- Coordination of Tourism & Economic Development Activities: The Choose Folsom team conducts corporate calling, identifies all potential inventory in the commercial real estate market, and serves as the primary point of communication for all new business inquiries. The Choose Folsom teams actively participate with the Greater Sacramento Economic Council to elevate Folsom’s profile in the region.

Granite School & the Northern California Innovation District: Choose Folsom has established the Northern California Innovation District (NCID). This project empowers innovation, growth, and education with respect to all sectors of the Region and our communities, leveraging the reinvention of existing resources to support the sustainable future growth of the Region. NCID strives to connect, educate, develop, and promote the region and our community. With the spirit of growth alive in NCID’s headquarters at the historic Granite School, NCID ensures that education, innovation, and growth... past, present, and future... come together for a bright future for our Region.

- Acquire Additional Digital Assets to use Across all Platforms: Folsom is a highly visual destination, and high-quality photos and videos are more powerful than any narrative we can provide. As social media and websites are the primary vehicles for outreach, the caliber of the content defines the perception of Folsom and effectively answers the “why”



(why would I visit, why would I consider moving my business) through visual storytelling. We freely share these assets with our partners as well as businesses for their respective platforms. We continue to acquire digital assets and have recently cataloged all video in a software program called Muse, which allows us to more readily find what assets we have. This facilitates using the video more effectively.

- **Social Media:** Facebook, LinkedIn, and Instagram continue as valuable platforms for the Visit Folsom social media presence. We also share content on our Choose Folsom-sponsored event pages to maximize our investment in content development. We also use these sites and the audience we have built to support non-profit partners in their efforts to reach a larger local audience. The budget is allocated for social media advertising and boosted posts to ensure engagement.

### Visitor Services

- **Visitor Collateral:** The Choose Folsom team creates, writes, and produces a wide variety of print materials that are the cornerstone of our visitor outreach for all market segments including business, leisure, and residents. During this fiscal year much of what we had on hand had been depleted during COVID. Collateral will be a major focus in 2022-2023. Items to be redesigned include the Dining Guide and the Getting Around Folsom map. We will also continue to work with our partners to showcase other popular pieces of collateral, such as the Folsom Trail map. The 2023 edition of Folsom Magazine hit the shelves on October 31. The magazine is mailed to all homes in the region and showcased in our 1000 hotel rooms.
- **Visitor Services Highlights:** Visit Folsom is proud of the resources available in the Visitor Center. As mentioned, the Visitor Center is currently undergoing a remodel and will reopen in the new year to offer an even better experience for our guests.

Throughout the course of the year, Visit Folsom receives requests from stakeholders to provide customized welcome packets for incoming groups with maps, dining guides, Folsom swag, etc. Custom visitor packets are prepared for incoming groups at the request of hoteliers, groups, new residents and major employers.

- **Visit Folsom Concierge Services:** While Visit Folsom is a relatively small bureau, we do offer a high level of service for incoming groups who are seeking support to plan their conference or meeting. Our initial point of contact can come directly through a group considering Folsom as a host city or through a hotel partner looking for some additional support to win a piece of business that is desirable for Folsom

Services include:

- Itinerary development
- Recommendations for ancillary venues such as banquet dining, group meeting space, etc.
- Resources such as our transportation incentive, which will allow a group to recoup a portion of their shuttle expense



- Introductions to partners such as FHDA, zoo staff, or others for event development
- Underwriting food/drink options like Snooks, Happy Hours or other hospitality opportunities
- Visit Folsom Marketing Committee: The Visit Folsom team meets monthly with the Director of Sales/General Managers from our eight partner properties. The meeting is an opportunity to share trends in the market, review questions on Folsom developments and create strategic plans to continue to grow the tourism revenue. We move the meeting location monthly to restaurants or entertainment venues to showcase new products and share what is new in Folsom. This group discusses economic development news and businesses which are considering moving into our market, as this is a big area of interest for our hotels. These monthly meetings were finally resumed in person this past July.
- Regional Collaboration: Folsom's partnership with the Gold Country Visitor's Association/Visit CA continues to bring increased visibility for Folsom as a highlight on regional itineraries and provides access to marketing opportunities that would be beyond the reach of our local budget. Access to international visitor markets, collaboration on regional tours and representation in the CA State Visitor Guides are just a few of the benefits of this partnership.

Additionally, partnerships with Rancho Cordova Travel & Tourism, Visit El Dorado County, and now the 50 Economic Alliance are a great benefit as collaboration often allows us to host larger groups than any one market can handle alone.

- The Folsom Transportation Program: This campaign has started to heat up again as we come out of COVID and continues to perform well for our local hotels. Weddings, family reunions, and large business team building which meet the 10-room/10ight minimum are utilizing this shuttle incentive. The promotion is supported by social media and print ads in Real Weddings Magazine, as well as sales kits for each hotel partner. There is also a tremendous referral base from satisfied customers. We continue to allocate the budget for this campaign with the objective of driving more leisure travel. We are now also experimenting with a shuttle program that helps small business groups get to and from the airport and around town.

**An accounting of the revenue and expenditures for the previous fiscal year: (7/1/21 to 6/30/22)**

- During this fiscal year funds were collected from the eight Folsom hotels (Lake Natoma Inn, Fairfield Inn & Suites, Hampton Inn, Hilton Garden, Larkspur Landing, Marriott Residence Inn and Marriott Courtyard, Staybridge Inn & Suites). The total amount of revenue for FY 21-22 was \$1,257,100. The total projected expenditures through June 30, 2022, for this fiscal year is \$745,568



**An estimate of the cost of the activities for '22-'23 fiscal year: (7/1/22 to 6/30/23)**

- The Folsom Tourism Bureau expects proceeds from the BID to be \$1,300,000 for the timeframe of 7/1/22-6/30/23. The contributors include eight hotels (Lake Natoma Inn, Fairfield Inn & Suites, Hampton Inn, Hilton Garden, Larkspur Landing, Marriott Residence Inn, Marriott Courtyard, and Staybridge Inn & Suites). Expenditures are anticipated to be approximately \$928,400.

The amount of any surplus or deficit revenues to be carried over from a previous fiscal year: The Folsom Tourism Bureau is currently analyzing tourism amenities and technology through a strategic planning process, and investment in these areas is expected to rise.

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